

Candice B. Pierucci proposes the following substitute bill:

Charter School Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Candice B. Pierucci

Senate Sponsor: Heidi Balderree

LONG TITLE

General Description:

This bill modifies provisions related to charter schools, including property disposition, governance requirements, and the Charter School Revolving Fund.

Highlighted Provisions:

This bill:

- ▶ gives charter schools parity with eligible entities to purchase decommissioned school property;
 - ▶ establishes restrictions on charter school resale of acquired property;
 - ▶ requires charter school governing board members to take an oath of office;
 - ▶ clarifies that charter schools are public schools;
 - ▶ replaces the Charter School Revolving Account with the Charter School Revolving Fund;
- and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

- 53F-9-203**, as last amended by Laws of Utah 2024, Chapter 507
- 53G-4-901**, as last amended by Laws of Utah 2025, First Special Session, Chapter 16
- 53G-4-902**, as last amended by Laws of Utah 2025, Chapter 391
- 53G-5-104**, as last amended by Laws of Utah 2024, Chapter 63
- 53G-5-401**, as last amended by Laws of Utah 2024, Chapter 63

ENACTS:

29 **53F-9-203.1**, Utah Code Annotated 1953

30 **53G-4-904**, Utah Code Annotated 1953

31 **53G-5-406.5**, Utah Code Annotated 1953

32

33 *Be it enacted by the Legislature of the state of Utah:*

34 Section 1. Section **53F-9-203** is amended to read:

35 **53F-9-203 . Charter School Revolving Account.**

36 (1)(a) The terms defined in Section 53G-5-102 apply to this section.

37 (b) As used in this section, "account" means the Charter School Revolving Account.

38 (2)(a) There is created within the Uniform School Fund a restricted account known as
39 the "Charter School Revolving Account" to provide assistance to charter schools to:

40 (i) meet school building construction and renovation needs; and

41 (ii) pay for expenses related to the start[-]up of a new charter school or the expansion
42 of an existing charter school.

43 (b) The state board, in consultation with the State Charter School Board, shall administer
44 the Charter School Revolving Account in accordance with rules adopted by the state
45 board.

46 (3) The Charter School Revolving Account shall consist of:

47 (a) money appropriated to the account by the Legislature;

48 (b) money received from the repayment of loans made from the account; and

49 (c) interest earned on money in the account.

50 (4) The state superintendent shall make loans to charter schools from the account to pay for
51 the costs of:

52 (a) planning expenses;

53 (b) constructing or renovating charter school buildings;

54 (c) equipment and supplies; or

55 (d) other start-up or expansion expenses.

56 (5) Loans to new charter schools or charter schools with urgent facility needs may be given
57 priority.

58 (6) The state board shall:

59 (a) review requests by charter schools for loans under this section; and

60 (b) in consultation with the State Charter School Board, approve or reject each request.

61 (7) A loan under this section may not be made unless the state board, in consultation with
62 the State Charter School Board, approves the loan.

- 63 (8) The term of a loan to a charter school under this section may not exceed five years.
- 64 (9) The state board may not approve loans to charter schools under this section that exceed
65 a total of \$2,000,000 in any fiscal year.
- 66 (10)(a) On March 16, 2011, the assets of the Charter School Building Subaccount
67 administered by the state board shall be deposited into the Charter School Revolving
68 Account.
- 69 (b) Beginning on March 16, 2011, loan payments for loans made from the Charter
70 School Building Subaccount shall be deposited into the Charter School Revolving
71 Account.
- 72 (11)(a) On July 1, 2026, the state board shall transfer into the Charter School Revolving
73 Fund created in Section 53F-9-203.1 the assets, unused money, and obligations of the
74 Charter School Revolving Account administered under this section.
- 75 (b) Beginning July 1, 2026, the state board shall deposit loan payments received for
76 loans made under this section into the Charter School Revolving Fund established in
77 Section 53F-9-203.1.
- 78 Section 2. Section **53F-9-203.1** is enacted to read:
- 79 **53F-9-203.1 . Charter School Revolving Fund.**
- 80 (1) As used in this section:
- 81 (a) The definitions in Section 53G-5-102 apply to this section.
- 82 (b) "Fund" means the Charter School Revolving Fund.
- 83 (2)(a) There is created within the Uniform School Fund a restricted account known as
84 the Charter School Revolving Fund to provide assistance to charter schools to:
- 85 (i) meet school building construction and renovation needs; and
- 86 (ii) pay for expenses related to the startup of a new charter school or the expansion of
87 an existing charter school.
- 88 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
89 Utah Charter Finance Authority shall make rules to administer the fund including:
- 90 (i) establishing the interest rates of loans;
- 91 (ii) amortization schedules for loans; and
- 92 (iii) other terms of repayment.
- 93 (3) The fund shall consist of:
- 94 (a) assets and money deposited in accordance with Subsection (9);
- 95 (b) money the Legislature appropriates to the fund;
- 96 (c) money received from the repayment of loans made from the fund; and

97 (d) interest earned on money in the fund.

98 (4) The Utah Charter Finance Authority shall make loans to charter schools from the fund
99 for a loan of:

100 (a) up to \$1,000,000 to a charter school for a school facility addition or expansion; or

101 (b) up to 25% of a requested loan amount to a charter school for the acquisition or
102 construction of a school facility.

103 (5) The Utah Charter Finance Authority shall:

104 (a) review requests by charter schools for loans under this section; and

105 (b) approve or reject each request.

106 (6) The Utah Charter Finance Authority:

107 (a) shall:

108 (i) make a loan that is secured by a promissory note and a deed of trust from the
109 charter school; and

110 (ii) require a recipient charter school to repay the funds if the recipient charter school
111 sells or refinances any collateral associated with the loan; and

112 (b) may make a loan that is subordinate to senior debt.

113 (7) A loan under this section may not be made unless the Utah Charter Finance Authority
114 approves the loan.

115 (8) The Utah Charter Finance Authority shall set the term of a loan to a charter school
116 under this section.

117 (9)(a) On July 1, 2026, the state board shall transfer into the fund the assets, unused
118 money, and obligations of the Charter School Revolving Account administered under
119 Section 53F-9-203.

120 (b) Beginning on July 1, 2026, the state board shall deposit loan payments for loans
121 made from the Charter School Revolving Account into the fund.

122 Section 3. Section **53G-4-901** is amended to read:

123 **53G-4-901 . Definitions.**

124 As used in this part:

125 (1) "Eligible entity" means[:] a city, town, or county.

126 [~~(a) a city or town with a population density of 3,000 or more people per square mile; or]~~

127 [~~(b) a county whose unincorporated area includes a qualifying planning advisory area.]~~

128 (2) "Purchase price" means the greater of:

129 (a) an amount that is the average of:

130 (i) the appraised value of the surplus property, based on the predominant zone in the

- 131 surrounding area, as indicated in an appraisal obtained by the eligible entity; and
 132 (ii) the appraised value of the surplus property, based on the predominant zone in the
 133 surrounding area, as indicated in an appraisal obtained by the school district; and
 134 (b) the amount the school district paid to acquire the surplus property.

135 [~~(3)~~ "Qualifying planning advisory area" means a planning advisory area under Section
 136 17-79-303 that has a population density of 3,000 or more people per square mile within
 137 the boundaries of the planning advisory area.]

138 [~~(4)~~] (3) "Surplus property" means land owned by a school district that:

- 139 (a) was purchased with taxpayer money;
 140 (b) is located within an eligible entity[~~a city or town that is an eligible entity or within a~~
 141 ~~qualifying planning advisory area~~];
 142 (c) consists of one contiguous tract at least three acres in size; and
 143 (d) has been declared by the school district to be surplus.

144 Section 4. Section **53G-4-902** is amended to read:

145 **53G-4-902 . Purchase of surplus property.**

146 (1) [~~An~~] Subject to Subsection (9), an eligible entity or charter school may purchase, and
 147 each school district shall sell, surplus property as provided in this section.

148 (2)(a) Upon declaring land to be surplus property, each school district shall give written
 149 notice to each eligible entity in which the surplus property is located.

150 (b) Each notice under Subsection (2)(a) shall:

- 151 (i) state that the school district has declared the land to be surplus property; and
 152 (ii) describe the surplus property.

153 (3) Subject to Subsection (4), an eligible entity may purchase the surplus property by
 154 paying the school district the purchase price.

155 (4)(a) The legislative body of each eligible entity desiring to purchase surplus property
 156 under this section shall:

- 157 (i) within 90 days after the eligible entity receives notice under Subsection (2), adopt
 158 a resolution declaring the intent to purchase the surplus property and deliver a
 159 copy of the resolution to the school district; and
 160 (ii) within 90 days after delivering a copy of the resolution under Subsection (4)(a)(i)
 161 to the school district, deliver to the school district an earnest money offer to
 162 purchase the surplus property at the purchase price.

163 (b) If an eligible entity fails to comply with either of the requirements under Subsection
 164 (4)(a) within the applicable time period, the eligible entity forfeits the right to

- 165 purchase the surplus property.
- 166 (5)(a) An eligible entity may waive the eligible entity's right to purchase surplus
167 property under this part by submitting a written waiver to the school district.
- 168 (b) If an eligible entity submits a waiver under Subsection (5)(a), the school district has
169 no further obligation under this part to sell the surplus property to the eligible entity.
- 170 (6) Surplus property acquired by an eligible entity may not be used for any purpose other
171 than:
- 172 (a) a county, city, or town hall;
- 173 (b) a park or other open space;
- 174 (c) a cultural center or community center;
- 175 (d) a facility for the promotion, creation, or retention of public or private jobs within the
176 state through planning, design, development, construction, rehabilitation, business
177 relocation, or any combination of these, within a county, city, or town;
- 178 (e) office, industrial, manufacturing, warehousing, distribution, parking, or other public
179 or private facilities, or other improvements that benefit the state or a county, city, or
180 town;
- 181 (f) a facility for a charter school under Chapter 5, Charter Schools; or
- 182 (g) the sale, use, or lease for moderate income housing, as defined in Section 63L-12-101.
- 183 (7)(a) A school district that sells surplus property under this part may use proceeds from
184 the sale only for bond debt reduction or school district capital facilities.
- 185 (b) Each school district that sells surplus property under this part shall place all proceeds
186 from the sale that are not used for bond debt reduction in a capital facilities fund of
187 the school district for use for school district capital facilities.
- 188 (8)(a) If both a charter school and one or more eligible entities express interest in
189 purchasing the same surplus property under this section, the school district may select
190 among applicants based on factors including:
- 191 (i) educational program fit;
- 192 (ii) financial capacity;
- 193 (iii) community benefit; and
- 194 (iv) the intended use of the property as described in Subsection (6).
- 195 (b) The school district shall provide a written explanation of the school district's decision
196 that identifies which factors under Subsection (8)(a) were determinative.
- 197 (9) Charter schools and eligible entities have equal rights to purchase property under this
198 section and Section 53G-4-904, with neither having priority over the other.

199 Section 5. Section **53G-4-904** is enacted to read:

200 **53G-4-904 . Charter school eligible entity option to purchase decommissioned**
201 **school buildings and property -- Restrictions on resale.**

202 (1) As used in this section:

203 (a) "Originating LEA" means the LEA that owns the school building to be disposed of or
204 decommissioned.

205 (b) "School building and associated real property" means:

206 (i) a building that has been used as a school facility and the real property on which
207 the building is located; and

208 (ii) does not include portable or modular classrooms that are not permanently affixed
209 to the real property.

210 (2) Before an LEA may dispose of a school building and associated real property through
211 the sale of the property, the LEA shall provide charter schools and eligible entities, as
212 defined in Section 53G-4-902, with the option to purchase the school building and
213 associated real property.

214 (3) In accordance with Subsections (5) and (9), the LEA shall provide written notice of the
215 intended disposition to all charter schools authorized within the state and all eligible
216 entities at least 90 days before any proposed sale.

217 (4) The LEA shall set the price of the sale using an independent appraisal assessing fair
218 market value, which may be conducted by the Division of Facilities and Construction
219 Management.

220 (5) The LEA shall ensure the notice includes:

221 (a) a description of the property;

222 (b) the proposed terms of sale including the price determined in accordance with
223 Subsection (4); and

224 (c) a deadline for charter schools and eligible entities to submit written expressions of
225 interest, which shall be no less than 45 days from the date of notice.

226 (6) If multiple charter schools or eligible entities express interest, the LEA may select
227 among applicants based on factors including educational program fit, financial capacity,
228 and community benefit.

229 (7)(a) A charter school that purchases a school building and associated real property
230 under this section may not dispose of the property through a sale without first
231 complying with the requirements of this subsection.

232 (b) If a charter school that purchased property under this section intends to sell the

233 property, the originating LEA may purchase, and the charter school shall sell, the
 234 property at a price equal to the price the charter school paid for the property plus the
 235 cost of any existing improvements that the charter school made to the property after it
 236 purchased the property.

237 (c) If the originating LEA does not reacquire the property under Subsection (7)(b), the
 238 charter school shall:

239 (i) provide all charter schools authorized within the state and all eligible entities with
 240 the option to purchase in accordance with the procedures established in this
 241 section; and

242 (ii) after charter schools and eligible entities have exercised or waived the right, the
 243 charter school may offer the property for sale to any other entity.

244 (d) If the originating LEA does not reacquire the property under Subsection (7)(b) and
 245 the charter school sells the property to another buyer under Subsection (7)(c), the
 246 charter school and the originating LEA shall equally share any proceeds of that sale
 247 that exceed the amount the charter school paid for the property plus the cost of any
 248 existing improvements the charter school made to the property after it purchased the
 249 property.

250 (8) This section does not apply to property dispositions resulting from condemnation
 251 proceedings or where federal or state law requires a different disposition process.

252 (9)(a) When written notice is required under this section, the originating LEA shall
 253 notify the state board and charter school authorizers.

254 (b) Upon receiving notice under Subsection (9)(a):

255 (i) each charter school authorizer shall distribute the notice to all charter schools
 256 authorized by that authorizer; and

257 (ii) the state board shall distribute the notice to all school districts and eligible entities
 258 in the state.

259 Section 6. Section **53G-5-104** is amended to read:

260 **53G-5-104 . Purpose of charter schools -- Charter schools are public schools.**

261 (1) The purposes of the state's charter schools are to enhance school choice, meet the
 262 unique needs of Utah families, and encourage innovation within the public education
 263 system by:

264 [(+) (a) continuing to improve student learning;

265 [(2) (b) encouraging the use of different and innovative teaching methods;

266 [(3) (c) creating new professional opportunities for educators that allow educators to

- 267 actively participate in designing and implementing learning programs at the school;
- 268 [~~(4)~~] (d) increasing choice of learning opportunities for students;
- 269 [~~(5)~~] (e) establishing new educational models and new forms of accountability that
- 270 emphasize unique performance measures and innovative measurement tools to
- 271 measure education outcomes;
- 272 [~~(6)~~] (f) providing opportunities for greater parental involvement in governance decisions
- 273 at the school level;
- 274 [~~(7)~~] (g) expanding public school choice in areas where there is a lack of school choice or
- 275 where schools have been identified for school improvement, corrective action, or
- 276 restructuring; and
- 277 [~~(8)~~] (h) collaborating within the public education system.

278 (2) As described in Section 53G-5-401, a charter school is a public school for all purposes

279 under Utah law, including:

- 280 (a) the Legislature's authority under Utah Constitution, Article X, Section 3, to designate
- 281 schools and educational programs, including charter schools, as part of the public
- 282 education system;
- 283 (b) eligibility for public funding and resources;
- 284 (c) access to public facilities and property;
- 285 (d) participation in public school programs and initiatives; and
- 286 (e) application of laws governing an LEA.

287 Section 7. Section **53G-5-401** is amended to read:

288 **53G-5-401 . Status of charter schools.**

289 (1) Charter schools~~[-are]~~:

- 290 (a) are considered to be public schools within the state's public education system;
- 291 (b) are subject to Subsection 53E-3-401(8); and
- 292 (c) shall be governed by an independent [boards] board whose members have taken the
- 293 oath of office as described in Section 53G-5-406.5, and held accountable to a legally
- 294 binding written contractual agreement.

295 (2) A charter school may be established by:

- 296 (a) creating a new school; or
- 297 (b) converting an existing district school to charter status.

298 (3) A parochial school or home school is not eligible for charter school status.

299 Section 8. Section **53G-5-406.5** is enacted to read:

300 **53G-5-406.5 . Oath of office for charter school governing board members.**

301 (1) Before entering upon the duties of office, each charter school governing board member
302 shall take and subscribe to the following oath: "I do solemnly swear that I will support,
303 obey, and defend the Constitution of the United States and the Constitution of the State
304 of Utah, and that I will discharge the duties of my office as a charter school governing
305 board member with fidelity."

306 (2) The charter school's authorizer shall ensure the oath is administered by:

307 (a) in accordance with Section 78B-1-142, any person authorized to administer oaths;

308 (b) for a newly authorized charter school, a representative of the charter school's
309 authorizer; or

310 (c) after the initial board is sworn in, the chair or another member of the charter school
311 governing board.

312 (3) The charter school shall:

313 (a) in accordance with Subsection 51-1-2(2), maintain a record of each governing board
314 member's oath; and

315 (b) provide proof of compliance to the charter school's authorizer upon request.

316 Section 9. **Effective Date.**

317 This bill takes effect on May 6, 2026.